

1 D. EDWARD HAYS, #162507
ehays@marshackhays.com
2 TINHO MANG, #322146
tmang@marshackhays.com
3 MARSHACK HAYS WOOD LLP
870 Roosevelt
4 Irvine, California 92620
Telephone: (949) 333-7777
5 Facsimile: (949) 333-7778
6 Attorneys for Chapter 7 Trustee,
RICHARD A. MARSHACK
7

8 UNITED STATES BANKRUPTCY COURT

9 CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION

10 In re

11 NORTHERN HOLDING, LLC,
12 Debtor.

Case No. 8:20-bk-13014-SC

Chapter 7

NOTICE OF CHAPTER 7 TRUSTEE’S
MOTION TO APPROVE COMPROMISE
WITH SOMOCO LABOR SUPPLY, INC.,
EMERALD VALLEY LABOR AND
AZCONA HARVESTING, LLC

[NO HEARING REQUESTED – LBR 9013-
1(O)]

17 TO THE HONORABLE SCOTT C. CLARKSON, UNITED STATES BANKRUPTCY JUDGE,
18 THE OFFICE OF THE UNITED STATES TRUSTEE, AND ALL INTERESTED PARTIES:

19 PLEASE TAKE NOTICE that Richard A. Marshack, the duly appointed and acting chapter 7
20 trustee (“Trustee”) for the bankruptcy estate (“Estate”) of Northern Holding, LLC (“Debtor”), has
21 filed a motion (“Motion”) to approve a proposed settlement agreement (“Agreement”) with SoMoCo
22 Labor Supply, Inc. (“SoMoCo”); Emerald Valley Labor (“EVL”) and Azcona Harvesting, LLC
23 (“Azcona” and collectively, “Azcona Group”) (Trustee and Azcona Group are collectively referred
24 to as the “Parties”). The Parties reached an agreement whereby the Azcona Group would be paid
25 70% of the invoiced charges.

26 In this case, Trustee was authorized by the Court to temporarily operate property of the
27 Estate to complete a harvest of grapes, and all expenses were required to be paid by Trustee’s farm
28

operator Lee Coddling. Instead of paying farming expenses, Coddling apparently hired and refused to pay farm laborers, and also misappropriated at least \$140,000 of crop proceeds, which are the subject of a separate civil contempt proceeding. The Azcona Group provided farm laborers to complete the harvest of grapes and the Estate ultimately received over \$242,000 in gross proceeds. Arguably, the Azcona Group has filed an informal proof of claim against the Estate which must be paid. Rather than litigate over the allowance of the Azcona Group's claim, Trustee and the Azcona Group have subsequently negotiated an agreement where the Azcona Group will receive 70% of the invoiced charges in full satisfaction of the Estate's liability for such unpaid services. This Court must decide whether to approve the Agreement a true and correct copy of which is attached to the Motion as **Exhibit 1**, and to authorize Trustee to pay the settlement amount from the segregated crop proceeds, which are cash collateral of AgWest Farm Credit, FLCA.

The following is a summary of the substantive terms of the Agreement, provided for convenience only.

Settlement Payment. Expressly conditioned on and expressly subject to approval by the Court, Trustee agrees to pay, in full satisfaction of the Estate's liability, **\$62,273.91** to the Azcona Group, allocated as follows: **\$19,990.52** to EVL; **\$29,091.97** to SoMoCo; and **\$13,191.42** to Azcona ("Settlement Payment"). The Settlement Payment shall be tendered within thirty calendar days of entry of an order of the Court approving such payment. The Settlement Payment shall be made from the Crop Proceeds as a reimbursement of costs pursuant to Paragraph 6(b)(i) of the Farm Operator Order.

The complete scope of the relief requested is detailed in the Motion, a copy of which can be obtained by contacting D. Edward Hays or Tinho Mang whose contact information is listed in the top left-hand corner of this Notice.

The Motion is based upon this Notice, the Declaration of Richard A. Marshack, memorandum of points and authorities, the pleadings and files in the Debtor's bankruptcy case, and upon such further oral and documentary evidence as may be presented to the Court. **If you do not oppose the motion described above, then you need take no further action**

PLEASE TAKE FURTHER NOTICE that any response and request for hearing as to the proposed settlement must be in the form as required by Rule 9013-1(f) and (o) of the Local Bankruptcy Rules (“LBR”) and filed with the Clerk of the above-entitled Court. The deadline for any response and request for hearing is 14 days after the date of service of this Notice plus an additional 3 days unless this Notice was served by personal delivery or posting as described in F.R.Civ.P. 5(b)(2)(A)-(B). A copy of any response or request for hearing must be served on Marshack Hays Wood LLP to the attention of D. Edward Hays and Tinho Mang at the address indicated above and served on the Office of The United States Trustee, 411 W. 4th Street, Suite 7160, Santa Ana, CA 92701. Failure to timely respond may be deemed as acceptance of the proposed compromise. *See* LBR 9013-1(h).

DATED: November 9, 2023

MARSHACK HAYS WOOD LLP

By: /s/ Tinho Mang

D. EDWARD HAYS
TINHO MANG
Attorneys for Chapter 7 Trustee,
RICHARD A. MARSHACK

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
870 Roosevelt, Irvine, CA 92620

A true and correct copy of the foregoing document entitled: **NOTICE OF CHAPTER 7 TRUSTEE'S MOTION TO APPROVE COMPROMISE WITH SOMOCO LABOR SUPPLY, INC., EMERALD VALLEY LABOR AND AZCONA HARVESTING, LLC** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **November 9, 2023**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**: On **November 9, 2023**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

DEBTOR

NORTHERN HOLDING, LLC
ATTN: OFFICER, A MANAGING OR GENERAL AGENT,
OR TO ANY OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO RECEIVE SERVICE
13217 JAMBOREE RD #429
TUSTIN, CA 92782

INTERESTED PARTY

SOMOCO LABOR SUPPLY, INC.
C/O NICHOLAS AZCONA
44 EL CAMINO REAL, SUITE A
GREENFIELD, CA 93927

INTERESTED PARTY

EMERALD VALLEY LABOR
C/O NICHOLAS AZCONA
44 EL CAMINO REAL, SUITE A
GREENFIELD, CA 93927

INTERESTED PARTY

AZCONA HARVESTING, LLC
C/O NICHOLAS AZCONA
44 EL CAMINO REAL, SUITE A
GREENFIELD, CA 93927

☒ Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL**: Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **November 9, 2023**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

PURSUANT TO THE CENTRAL GUIDE SUPPLEMENT TO LBR 5005-2(d), SERVING A JUDGE'S COPY OF DOCUMENTS, §2.2(c), A NON-HEARING MOTION WHEN THE RESPONSE DEADLINE HAS NOT PASSED SHOULD NOT BE SERVED UPON THE JUDGE.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

November 9, 2023
Date

Layla Buchanan
Printed Name

/s/ Layla Buchanan
Signature

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): CONTINUED:

- **INTERESTED PARTY COURTESY NEF:** William H Brownstein Brownsteinlaw.bill@gmail.com
- **INTERESTED PARTY COURTESY NEF:** Steve Burnell Steve.Burnell@gmlaw.com, sburnell@ecf.courtdrive.com; sburnell@ecf.inforuptcy.com; cheryl.caldwell@gmlaw.com; denise.walker@gmlaw.com
- **INTERESTED PARTY COURTESY NEF:** Kevin W Coleman kcoleman@nutihart.com, admin@nutihart.com
- **INTERESTED PARTY COURTESY NEF:** Robert P Goe kmurphy@goeforlaw.com, rgoe@goeforlaw.com; goeforecf@gmail.com
- **ATTORNEY FOR US TRUSTEE:** Nancy S Goldenberg nancy.goldenberg@usdoj.gov
- **ATTORNEY FOR CREDITOR FARM CREDIT WEST, FLCA:** Michael J Gomez mgomez@frandzel.com, dmoore@frandzel.com
- **ATTORNEY FOR CHAPTER 7 TRUSTEE RICHARD A MARSHACK:** D Edward Hays ehays@marshackhays.com, ehays@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com; cmendoza@marshackhays.com; cmendoza@ecf.courtdrive.com
- **ATTORNEY FOR RESPONDENT ERICH RUSSELL and RESPONDENT JOANNE RUSSELL:** Kari L Ley Ley1238@att.net
- **ATTORNEY FOR CHAPTER 7 TRUSTEE RICHARD A MARSHACK:** Tinho Mang tmang@marshackhays.com, tmang@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com; cmendoza@ecf.courtdrive.com
- **CHAPTER 7 TRUSTEE RICHARD A MARSHACK:** Richard A Marshack (TR) pkraus@marshackhays.com, rmarshack@iq7technology.com; ecf.alert+Marshack@titledexi.com
- **ATTORNEY FOR INTERESTED PARTY BANK DIRECT CAPITAL FINANCE:** Elissa Miller elissa.miller@gmlaw.com, emillersk@ecf.courtdrive.com; cheryl.caldwell@gmlaw.com
- **ATTORNEY FOR CREDITOR AZCONA HARVESTING:** Paul William Moncrief Paul@Moncriefhart.com
- **ATTORNEY FOR DEBTOR NORTHERN HOLDING, LLC:** Roksana D. Moradi-Brovia Roksana@rhmfir.com, matt@rhmfir.com; rosario@rhmfir.com; sloan@rhmfir.com; priscilla@rhmfir.com; rebecca@rhmfir.com; david@rhmfir.com; susie@rhmfir.com; max@rhmfir.com; russ@rhmfir.com
- **ATTORNEY FOR CREDITOR ADLER BELMONT GROUP, INC:** Paul F Ready becky@farmerandready.com
- **ATTORNEY FOR DEBTOR NORTHERN HOLDING, LLC:** Matthew D. Resnik Matt@rhmfir.com, roksana@rhmfir.com; rosario@rhmfir.com; sloan@rhmfir.com; priscilla@rhmfir.com; rebecca@rhmfir.com; david@rhmfir.com; susie@rhmfir.com; max@rhmfir.com; russ@rhmfir.com
- **ATTORNEY FOR INTERESTED PARTY RIBOLI PASO ROBLES, LLC:** Victor A Sahn victor.sahn@gmlaw.com, vsahn@ecf.courtdrive.com; pdillamar@ecf.courtdrive.com; patricia.dillamar@gmlaw.com, Karen.Files@gmlaw.com
- **ATTORNEY FOR CHAPTER 7 TRUSTEE RICHARD A MARSHACK:** D Kristine A Thagard kthagard@marshackhays.com, kthagard@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com
- **US TRUSTEE (SA):** United States Trustee (SA) ustpregion16.sa.ecf@usdoj.gov
- **ATTORNEY FOR CREDITOR FARM CREDIT WEST, FLCA:** Reed S Waddell rwaddell@frandzel.com, sking@frandzel.com
- **ATTORNEY FOR CREDITOR FARM CREDIT WEST, FLCA:** Gerrick Warrington gwarrington@frandzel.com, achase@frandzel.com
- **ATTORNEY FOR CHAPTER 7 TRUSTEE RICHARD A MARSHACK:** David Wood dwood@marshackhays.com, dwood@ecf.courtdrive.com; lbuchananmh@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com

2. SERVED BY UNITED STATES MAIL: CONTINUED:

**SECURED CREDITOR / POC
ADDRESS**

ERICH RUSSELL
C/O KARI L. LEY, ATTORNEY AT
LAW
264 CLOVIS AVENUE, SUITE 208
CLOVIS, CA 93612

RTD 12/15/22 RESENT

**SECURED CREDITOR / POC
ADDRESS**

ERICH RUSSELL
2380 LIVE OAK ROAD
PASO ROBLES, CA 93446-9693

NEW ADDR PER USPS 12/15/22

SECURED CREDITOR

ERICH RUSSELL
2168 BLOSSOM WAY S
ST. PETERSBURG, FL 33712

SECURED CREDITOR

FARM CREDIT WEST
ATTN: OFFICER, A MANAGING OR
GENERAL AGENT, OR TO ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO
RECEIVE SERVICE
3755 ATHERTON RD
11707 FAIR OAKS BLVD
ROCKLIN, CA 95765

**SECURED CREDITOR / POC
ADDRESS**

FARM CREDIT WEST, FLCA
C/O MICHAEL J. GOMEZ
FRANDZEL ROBINS BLOOM &
CSATO, L.C.
1000 WILSHIRE BOULEVARD, 19TH
FLOOR
LOS ANGELES, CA 90017-2457

**SECURED CREDITOR / POC
ADDRESS**

FARM CREDIT WEST, FLCA
ATTN: KEVIN E. RALPH
3755 ATHERTON DRIVE
ROCKLIN CA 95765-3701

**SECURED CREDITOR / POC
ADDRESS**

JAMES W. HAMILTON ACTTC
SAN LUIS OBISPO TAX
COLLECTOR
1055 MONTEREY STREET
SUITE D-290
SAN LUIS OBISPO CA 93408-1003

RTD 04/18/22 UTF

SECURED CREDITOR

MORTGAGE LENDER SERVICES
AS AGENT
~~FARM CREDIT WEST, FLCA, AS~~
~~TRUSTEE~~
~~11707 FAIR OAKS BLVD~~
~~FAIR OAKS, CA 95628-2816~~

CREDITOR

ATTORNEY GENERAL
UNITED STATES DEPARTMENT OF
JUSTICE
BEN FRANKLIN STATION
P.O. BOX 683
WASHINGTON, DC 20044

CREDITOR / POC ADDRESS

ADLER BELMONT GROUP, INC.
C/O PAUL F. READY
FARMER & READY
1254 MARSH STREET
SAN LUIS OBISPO CA 93401

CREDITOR

BANK OF AMERICA
ATTN: OFFICER, A MANAGING OR
GENERAL AGENT, OR TO ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO
RECEIVE SERVICE
PO BOX 15019
WILMINGTON, DE 19850-5019

CREDITOR

CALIFORNIA DEPT OF TAX AND
FEE ADMI
SPECIAL OPS, MIC 29
PO BOX 942879
SACRAMENTO, CA 94279-0005

CREDITOR

CAPITAL ONE
ATTN: OFFICER, A MANAGING OR
GENERAL AGENT, OR TO ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO
RECEIVE SERVICE
P.O. BOX 60599
CITY OF INDUSTRY, CA 91716-0599

CREDITOR

CIVIL PROCESS CLERK
UNITED STATES ATTORNEY'S
OFFICE
FEDERAL BUILDING, ROOM 7516
300 NORTH LOS ANGELES
STREET
LOS ANGELES, CA 90012

RTD 02/22/22 UTF

CREDITOR

ELECTRO-STEAM GENERATOR
CORP.
~~50 INDEL AVENUE~~
~~RANOCAS, NJ 08073~~

NEW ADDR PER WEBSITE

CREDITOR

ELECTRO-STEAM GENERATOR
CORP.
ATTN: OFFICER, A MANAGING OR
GENERAL AGENT, OR TO ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO
RECEIVE SERVICE
50 INDEL AVENUE
P.O. BOX 438
RANOCAS, NJ 08073-0438

CREDITOR / POC ADDRESS

FRANCHISE TAX BOARD
BANKRUPTCY SECTION MS A340
PO BOX 2952
SACRAMENTO CA 95812-2952

CREDITOR

HILCO REAL ESTATE, LLC
ATTN: OFFICER, A MANAGING OR
GENERAL AGENT, OR TO ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO
RECEIVE SERVICE
5 REVERE DRIVE, SUITE 320
NORTHBROOK, IL 60062

CREDITOR / POC ADDRESS

INTERNAL REVENUE SERVICE
P.O. BOX 7346
PHILADELPHIA, PA 19101-7346

CREDITOR

PG&E
ATTN: OFFICER, A MANAGING OR
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OTHER AGENT AUTHORIZED BY
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P.O. BOX 99700
SACRAMENTO, CA 95899-7300

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RABBIT RIDGE WINE SALES, INC.
ATTN: OFFICER, A MANAGING OR
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RECEIVE SERVICE
179 NIBLICK RD, #406
PASO ROBLES, CA 93446-9693

RTD 08/30/21 UTF

CREDITOR

SUNBELT RENTALS
ATTN: OFFICER, A MANAGING OR
GENERAL AGENT, OR TO ANY
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APPOINTMENT OR LAW TO
RECEIVE SERVICE
P.O. BOX 409211
ATLANTA, GA 30384-9211

NEW ADDR PER CA SOS

CREDITOR

SUNBELT RENTALS, INC.
ATTN: OFFICER, A MANAGING OR
GENERAL AGENT, OR TO ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO
RECEIVE SERVICE
2341 DEERFIELD DRIVE
FORT MILL, SC 29715

NEW ADDR PER CA SOS

CREDITOR

SUNBELT RENTALS, INC.
C/O C T CORPORATION SYSTEM,
AGENT FOR SERVICE OF
PROCESS
330 N BRAND BLVD
GLENDALE, CA 91203

CREDITOR

THOMAS K RACKERBY
C/O TOM PROUNTZOS
GOODMAN NEUMAN HAMILTON
LLP
ONE POST STREET, SUITE 2100
SAN FRANCISCO, CA 94104

CREDITOR

WEST COAST WINE PARTNERS
ATTN: OFFICER, A MANAGING OR
GENERAL AGENT, OR TO ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO
RECEIVE SERVICE
134 CHURCH STREET
SONOMA, CA 95476-6612

OTHER PROFESSIONAL

LEE CODDING
13217 JAMBOREE RD #429
TUSTIN, CA 92782

4891-3008-9359, v. 1